

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

September 19, 2013

SECRETARY'S MEMORANDUM 1076-004

Blueprint for Stronger Service – Loans Receivable Center of Excellence

1. PURPOSE

The purpose of this memorandum is to formally implement the Loans Receivable Center of Excellence (COE). Details of such implementation are provided below.

2. POLICY

The Loans Receivable COE associated with the Blueprint for Stronger Service – Administrative Solutions Project is hereby implemented. The COE will be located, organizationally, in the Rural Development (RD) Mission Area and will provide service initially to RD and the Farm Service Agency (FSA). RD and FSA should by October 1, 2013, complete work necessary to establish the COE in accordance with all relevant Departmental directives. The COE shall be phased-in and fully operational and staffed by January 11, 2014.

When establishing the COE, RD (as the service provider) and FSA shall create a Governance Board and process whereby customer agencies and entities can influence decisions made regarding services provided; strategic and operational priorities; staffing and resource allocations; and performance and service level metrics. As such, this governance process will ensure substantial input by customers into the scope, method, timing, and quality of services offered by the service provider, as well as corrective measures as required. If the COE is unable to meet their performance level objectives, the Governance Board will be responsible for reviewing the cause(s) and taking the corrective action(s) necessary to ensure the customer agency's needs are met.

The Governance Board shall consist of an equal number of FSA and RD career employees and a single member from a Departmental level office (USDA). FSA and RD shall jointly develop a charter to outline the authority, roles and responsibilities, purpose, goals, and membership for such board.

Following the initial implementation for USDA agencies, and only after an effective governance process is established, the COE may pursue expanding its customer base to include other Federal agencies and entities. As part of any proposed expansion, the COE leadership must utilize the existing governance process to reach agreement that such an

expansion supports improved service delivery and/or reduced operating costs for existing customer agencies. Once such agreement is reached, then the service provider can pursue additional potential customer entities.

3. FURTHER DESIGNATIONS

The Under Secretary for Rural Development is designated as the sole provider in the Department, and is authorized to enter into reimbursable agreements or other appropriate financing arrangements with Department agencies and staff offices to perform all loans receivable servicing.

4. EXISTING DIRECTIVES

Prior delegations of authority, administrative regulations, and other directives not inconsistent with the provisions of this Memorandum shall remain in full force and effect.

5. INCIDENTAL TRANSFERS

The Assistant Secretary for Administration and the Chief Financial Officer are authorized, to the extent necessary, to approve such transfers of funds, personnel, employment authority, space, records, property, and incidentals as may be necessary to implement provisions of this Memorandum.

6. GUIDANCE

RD, as lead agency and service provider for the Loans Receivable COE, will issue interim operating policies for associated functions and services until such time that final policies are completed. The interim operating policies referenced above and any reimbursable agreements required to implement the policies articulated in sections 2 and 3 of this Memorandum shall include a mechanism for Departmental components receiving services to provide input to the service provider on service design, operations, performance accountability, quality control, cost allocation and cost control.

7. EFFECTIVE DATE AND TERMINATION

This Memorandum is effective immediately and will remain in effect for one year from the effective date or until such earlier time, as the Department's published delegations of authority has been revised to incorporate the provisions of this Memorandum.

/s/Thomas J. Vilsack
Secretary